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AMILY LOWANCES



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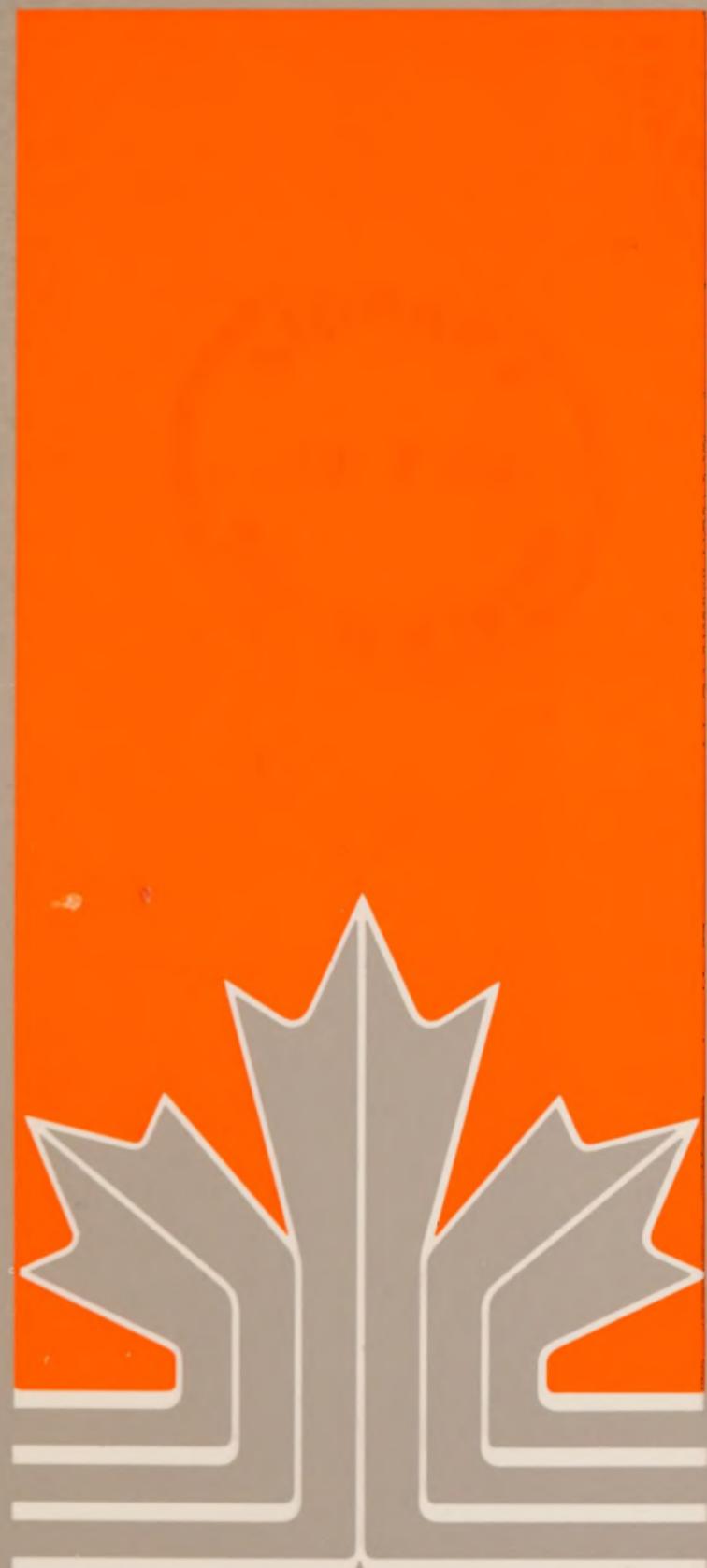
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Government
Publications

FAMILY ALLOWANCES



INCOME
SECURITY PROGRAMS

Canada



This booklet on **Family Allowances** contains general information only. When questions arise, the Family Allowances Act and Regulations must govern.

If you need any further information or assistance after reading this booklet, please contact an **Income Security Programs office**. The telephone number and address can be found in the federal government listing in your telephone directory under "Health and Welfare Canada". If you have a question about your benefit entitlements, please provide your full name, address and Social Insurance Number or Family Allowances account number.

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A *The Family Allowances Program*

The Family Allowances program supplements the income of Canadian families by providing monthly benefits to assist in the cost of raising children. The program also provides for the payment of a Special Allowance to child-care agencies or government departments on behalf of children under age 18 whom they maintain.

The Family Allowances program is financed from general revenues of the Government of Canada.

B *Family Allowances*

1. *What are Family Allowances?*

Family Allowances are monthly benefits payable on behalf of children under age 18, who are resident in Canada and who are maintained by their parents or other individuals who meet conditions of eligibility. Family Allowances are subject to federal income tax. They form part of the taxable income for the person who claims a tax exemption for the child.

2. *How does my child qualify for a Family Allowances benefit?*

To qualify for a benefit your child must be under age 18 and considered to be resident in Canada. In addition, at least one parent who is maintaining the child must be: a Canadian citizen; a person admitted to Canada as a permanent resident under the Immigration Act; or a visitor or the holder of a permit under the Immigration Act, for a period of not less than one year, and whose income during that period is subject to Canadian income tax.

3. How do you calculate the amount of Family Allowances?

The benefit is a flat-rate monthly amount which is payable on behalf of each eligible child in Canada. The Family Allowances Act provides that provinces may request a variation of the flat-rate based on the age of the child and/or the number of children in the family. Quebec and Alberta have requested a variation in the flat-rate.

C Applying for Your Family Allowances

4. When should I apply for the Allowances?

You should apply as soon as possible after the birth of a child, immediately upon arrival in Canada or as soon as you begin maintaining a child.

5. What if someone is incapable of applying?

If an individual is incapable of applying, that person or a representative should contact an Income Security Programs office. In some circumstances, application may be made on behalf of the applicant.

6. How do I apply for Family Allowances?

You must complete an application form and submit your application with the required substantiating documents to an Income Security Programs office.

If your child is born in a Canadian hospital, you will probably be given a Family Allowances application form at that time. You may also obtain Family Allowances application forms from any Income Security Programs office.

7. What documentation do I have to submit with the application?

If your child was born in Canada, you may be asked to provide the child's birth certificate.

If you were admitted to Canada under the Immigration Act as a permanent resident, visitor or holder of a permit, your application must be accompanied by the Canadian Immigration record which you were given by officials from Employment and Immigration Canada. Immigration records and birth or baptismal certificates for all children born outside Canada must accompany your application.

The application form and instruction sheet have more detailed information on how to complete the application and on acceptable documentation.

D *Receiving Your Family Allowances*

8. When will I begin receiving Family Allowances?

You can begin receiving Family Allowances the month after you and your child meet all the conditions of eligibility.

If you delay applying, your benefit may be paid retroactively to that month. However, retroactive payments may only be made for a maximum of 12 months, including the month in which your application is received.

9. Who receives the cheque?

In a two-parent situation, the benefit is usually paid to the mother. In a one-parent situation, the benefit is paid to that parent.

For program purposes, a “parent” can be a guardian or another person maintaining the child. The benefit may be paid to the father, if both parents agree, when they have joint custody or where the father is responsible for the day-to-day care of the child.

10. When can I expect my cheques?

Family Allowances cheques usually arrive around the 20th of each month. If you

do not receive your cheque within the following week or if you lose your cheque, contact an Income Security Programs office.

11. Can my cheque be sent to my bank? Yes. If you would like to have your cheque deposited directly in your bank account, inform Income Security Programs. Give your bank's name and mailing address, including the postal code, your name, address and Social Insurance Number. You should inform your bank that you have made this request.

12. What happens if I change my address? To ensure the continued delivery of your benefit cheques, please notify an Income Security Programs office of your new address as soon as possible. A change of address form is on the back of your Family Allowances envelope. Include your name, your previous address, the name of the child(ren) for whom half the benefit is being paid and your Social Insurance Number or Family Allowances account number.

13. Can I receive Family Allowances outside Canada? Yes. The Allowances may be paid if you are absent from Canada for less than a year for medical reasons or while vacationing or attending school or university. It may also be paid if you had resided in Canada and are absent indefinitely, provided that your income is subject to Canadian income tax for the entire period of absence. It is also paid if your child is absent indefinitely from Canada provided the child has resided in Canada and if you maintain the child and if your income is subject to Canadian income tax during the entire period of absence.

Family Allowances are paid in Canadian dollars whether in Canada or abroad.

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14. If I am a visitor to Canada can I receive Family Allowances? Yes. If you have been admitted to Canada for at least 12 months and if you meet all the other eligibility requirements as described in question 2.

15. Will I get cost-of-living increases? Yes. In January of each year, the Allowances are increased to match any rise over three percent in the cost of living as measured by the Consumer Price Index.

16. When will my benefit payment end? Your entitlement to the Allowances ceases with the payment for the month in which:

- you cease to be resident in Canada
- you cease to maintain the child
- the child reaches age 18, or
- the child dies.

E *Appealing a Decision*

17. What can I do if I do not agree with a decision affecting my Family Allowances?

You have the right to appeal a decision affecting your Family Allowances. If you wish to appeal a decision affecting your benefit, you must do so in writing within 90 days of receiving the decision. Your letter of appeal should be directed to a Regional Director of Income Security Programs.

Your written notice of appeal should include your name and address, and your reason(s) for making the appeal.

F *Protecting Information About You*

18. How is information about me protected?

Information about you is protected by the Family Allowances Act. No information, other than that which is needed to determine your entitlement to a benefit will be requested. The legislation also specifies that any such information can only be provided to the government agencies which are specifically entitled to receive it. It will not be available to private agencies or individuals.

19. How else is information about me protected?

In addition, the Access to Information Act prohibits disclosure of information about you without your consent, unless that information is clearly publicly available or unless the disclosure is in accordance with the Privacy Act. Except under certain conditions (such as to comply with a warrant or subpoena or to enforce a law), the government can only use information for the purpose for which it was collected.

20. Can I have access to the information on my Family Allowances file?

Yes. You have the right to request access to any information about you which is on federal government files. To help you obtain this information, the government has published an Index of Personal Information. The index and information request forms can be found in those government offices which are open to the public, public libraries, in most rural post offices and in Canadian missions abroad.

The information contained on all applications for Family Allowances benefits is in Personal Information Bank NHW/P-PU-130.

G *Taxation and Your Family Allowances*

21. Are my Family Allowances benefits taxable?

Yes. Family Allowances are taxable under the provisions of the Federal Income Tax Act. The person who claims a personal exemption or personal credit for the child must declare the Family Allowances as taxable income. If no one claims a personal exemption or personal credit for the child, the benefit is income for the person who received the cheques.

Early each year, usually with the January cheque, you will receive a TFA1 slip showing the amount of the Family Allowances benefits you received during the previous year. If you have received any retroactive payments during that year, the total amount will reflect retroactive benefits plus regular monthly benefits. This slip is to be used when completing your income tax return and in calculating your income tax. It must be submitted with your income tax return.

H *Other Related Benefits*

22. What are Special Allowances?

Special Allowances are benefits which are paid on behalf of children under age 18 who are maintained by government departments, child-care agencies and institutions. Under certain circumstances the benefit is paid directly to foster parents. The rate payable is the same in all provinces. It is not considered as taxable income for income tax purposes.

es; nor can the person to whom the Special Allowances were payable claim Family Allowances or the Child Tax Credit for the child. A fact sheet on the Special Allowances is available at all Income Security Programs offices.

23. What is a Child Tax Credit?

The Child Tax Credit is an income-tested benefit payable to an individual on behalf of a child who is under age 18, if the individual was eligible to receive Family Allowances in January of the year following the year for which the credit is payable. It can also be paid on behalf of children who have died during the year who otherwise would have been eligible for Family Allowances.

The Child Tax Credit and Family Allowances are coordinated in that eligibility for the credit is dependent on eligibility for Family Allowances. The Child Tax Credit program is administered by Revenue Canada, Taxation and it is the Income Tax Act which specifies the conditions for payment of the credit. However, eligibility for the credit and the amount of the credit depends on the amount of family income in the previous year. It is not necessary to have taxable income or any income to qualify for a Child Tax Credit.

Your Revenue Canada District Taxation Office can provide further details.

I Other Public Benefits

24. What other Income Security Program benefits may I be eligible to receive?

Benefits are provided for children of deceased and disabled contributors under the Canada/Quebec Pension Plan. These and other benefits provided by Canada's Income Security Programs are described in the booklets listed below.



J More Information

25. What other information is available on the Old Age Security program, the Canada Pension Plan and Family Allowances?

The following booklets on other benefits available under the Income Security Programs are available from an Income Security Programs office:

OLD AGE SECURITY PENSION

GUARANTEED INCOME SUPPLEMENT

SPOUSE'S ALLOWANCE

CANADA PENSION PLAN

RETIREMENT PENSION

CANADA PENSION PLAN DISABILITY

BENEFITS

CANADA PENSION PLAN SURVIVOR

BENEFITS

Facts sheets are available on:

CANADA PENSION PLAN

RETIREMENT PENSION

CANADA PENSION PLAN DISABILITY

BENEFITS

CANADA PENSION PLAN SURVIVOR

BENEFITS

CANADA PENSION PLAN DIVISION

OF UNADJUSTED PENSIONABLE

EARNINGS

FINANCING THE CANADA PENSION

PLAN

OLD AGE SECURITY PENSION

GUARANTEED INCOME SUPPLEMENT

SPOUSE'S ALLOWANCE

FAMILY ALLOWANCES

SPECIAL ALLOWANCES



Health and Welfare
Canada

Santé et Bien-être social
Canada

